

ASSEMBLY BILL

No. 250

Introduced by Assembly Member Holden

February 6, 2013

An act to add and repeal Article 6 (commencing with Section 12099) of Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government Code, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

AB 250, as introduced, Holden. California Innovation Hub Program.

The Governor's Office of Business and Economic Development serves as the Governor's lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth. The office, among others, makes recommendations to the Governor and the Legislature regarding policies, programs, and actions to advance statewide economic goals.

This bill would create the California Innovation Hub Program within the Governor's Office of Business and Economic Development. The bill would require the office to designate Innovation Hubs, as specified. The bill would authorize the office, with the consent of the Director of the Department of General Services, to use vacant or underused state-owned or leased property, or both, that is controlled by the Department of General Services, as specified. The bill would authorize specified state property, when authorized by law, to be used as matching funds to meet federal funding requirements.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Article 6 (commencing with Section 12099) is added to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government Code, to read:

Article 6. California Innovation Hub Program

12099. (a) The California Innovation Hub Program is hereby created within the office.

(b) The office shall designate Innovation Hubs within the state to stimulate partnerships, economic development, and job creation by leveraging assets to provide an innovation platform for startup businesses, economic development organizations, business groups, and venture capitalists. The assets may include, but are not limited to, research parks, technology incubators, universities, and federal laboratories.

(c) The office shall oversee, coordinate, and provide assistance to each iHub.

12099.1. For purposes of this article, the following terms shall be defined as follows:

(a) "Demonstration site" means state owned or leased property that can be used by an innovative business or nonprofit organization to demonstrate its technologies pursuant to a demonstration agreement.

(b) "Innovation Hub" (iHub) means a network of interrelated firms and industries that collectively drive economic growth within a defined geographic area.

12099.2. (a) An iHub may do all of, but shall not be limited to, the following:

(1) Provide counseling and technical assistance, either by direct or indirect services, in the areas of entrepreneurial business planning and management, financing, and marketing for small businesses.

(2) Provide expert advice to entrepreneurs on starting a business, including legal requirements for starting a business and access to financing opportunities.

(3) Conduct business workshops, seminars, and conferences with local partners including, but not limited to, state universities, state community colleges, local governments, state and federal

1 service providers, private industry, workforce investment boards
2 and agencies, small business service agencies, economic
3 development organizations, and chambers of commerce.

4 (4) Facilitate partnerships between innovative startup businesses,
5 research institutions, and venture capitalists or financial institutions.

6 (b) The iHubs shall, to the extent feasible, do all of the
7 following:

8 (1) Work in close collaboration with the activities of the office
9 as its primary statewide partner.

10 (2) Coordinate activities with the Employment Training Panel,
11 the California Workforce Investment Board, the Office of the
12 Chancellor of the California Community Colleges, the University
13 of California, the California State University, and other state
14 economic and workforce development programs.

15 12099.3. (a) Notwithstanding any other law, the office may,
16 with the consent of the Director of the Department of General
17 Services, use vacant or underused state owned or leased property,
18 or both, that is controlled by the Department of General Services
19 for purposes including, but not limited to, assisting iHubs establish
20 proof of concept centers, incubators, and demonstration sites.

21 (b) State property under this section, when authorized by law,
22 may be used as matching funds to meet federal funding
23 requirements.

24 12099.4. (a) The office may authorize a business or nonprofit
25 organization to use a state-owned or leased property, or both,
26 pursuant to Section 12099.3.

27 (b) The office shall enter into a demonstration agreement with
28 the business or nonprofit organization before a demonstration of
29 an emerging technology may occur on state-owned or leased
30 property.

31 (c) A demonstration agreement shall include all of the following:

32 (1) A provision that the business or nonprofit organization agrees
33 to indemnify the state against any liability or damages that may
34 result from the demonstration.

35 (2) A provision that authorizes the Department of General
36 Services and the office to stop the demonstration if the innovative
37 business has falsified or withheld information that should have
38 been disclosed about the demonstration.

- 1 (3) A provision that the business agrees to purchase insurance
2 coverage necessary, as determined by the state, to cover the costs
3 to the state for any risks.
- 4 (4) A certification by the innovative business that the
5 demonstration project meets all current applicable industry
6 standards, laws, and applicable regulations and can safely be
7 demonstrated. The office may require proof of such.
- 8 (5) Other provisions determined by the office to be relevant for
9 the successful and safe undertaking of the demonstration.
- 10 (b) State-owned or leased property under this section shall be
11 used only in furtherance of this chapter.